

KPMG Consulting – Verizon Responses regarding New Jersey Exception Report #23

Exception #:	23
Component:	Verizon – New Jersey’s (Verizon-NJ) Metrics Change Control (MCC) notification process as documented in the Method & Procedure Release document is inadequate.
Domain:	Metrics
Date Uncovered by KPMG:	5/3/01
Date VERIZON Received:	5/3/01
Date VERIZON Responded:	8/03/01
KPMG Summary Statement and	Findings from this analysis indicate that the Verizon-NJ’s notification process is deficient. Without an adequate and transparent metrics change notification process, the CLECs will not have the information needed to validate proper calculation of metrics values.
KPMG Consulting Response:	<p><u>KPMG Consulting’s 8/27/01 Closure Statement</u></p> <p>KPMG Consulting reviewed Verizon’s documentation of the Metrics Change Control (MCC) notification process dated July 2001 and the Metrics Business Rules (MBR)-issued July 27, 2001. The MCC process document addresses the process by which the CLECs and the state regulatory commissions will be notified of changes to metrics. All changes to the regulatory orders, metrics processes, data calculation clarifications and corrections will be communicated to ensure that CLECs are able to independently validate the accuracy of the metric results contained in the Carrier to Carrier reports. The MBR document provides detailed information regarding baseline business rules used by Verizon to calculate the metric results contained in the Carrier to Carrier Reports. KPMG Consulting conducted a process review of the MCCR and the MBR documents and is satisfied with the result.</p> <p>Verizon also provided KPMG Consulting with Issue Logs in the modified format for the February, March and April data month. The Issue Logs for the February and March data month were reformatted with change control numbers that are unique identifiers for tracking changes. Compared to the previous Issue Logs, all the reformatted Logs provided more detailed description of the changes. The Issue Log for the April data month was the first log prepared in the new format. KPMG Consulting reviewed the 3 Issue Logs and is satisfied with result.</p> <p>In the absence of any other activity or information, KPMG Consulting closes Exception # 23 for testing purposes</p>
VERIZON Response:	<p><u>Verizon’s 8/03/01 Response to Exception</u></p> <p>In reply to this exception, Verizon has developed and provided to KPMG and the BPU Metrics Business Rules documentation (MBR). The MBR expands the information regarding the baseline metrics contained in the</p>

carrier-to-carrier guidelines. This information is used by Verizon to calculate the metric results contained in the Carrier-to-Carrier reports. Upon review and acceptance of this material by KPMG / BPU, it will be posted on a Verizon website.

To communicate changes in Wholesale Metrics calculations and processes, to the NJ BPU and the CLECs, Verizon has developed a Metrics Change Control Notification (MCC) process. Documentation (draft Method and Procedure) detailing the MCC process is attached. The MCC will be released within five business days of the posting of this response on the NJ BPU WEB.

Verizon has modified the format of the Issues Logs. To simplify tracking, Change Control numbers have been added to the logs as unique identifiers of changes. In addition, the Issues Logs have a more detailed description of each change. The Issues Log issued May 25th for the April data month, was the first to be provided in the new format. The Logs issued in March, for the February data month, and in April, for the March data month were reformatted, and provided to KPMG and the BPU for review and compliance.

Verizon will continue to update this log with new issues until the Change Notification process is in place. Once the Change Notification process is in place, no new issues will be added to the Log. Verizon will maintain the existing Log until all issues on it are closed.

Subject: Overview of Metrics Documents / Processes.

Carrier-to-Carrier Guidelines (C2C):

C2C Guidelines are detailed Commission approved business rules that list information needed to 1) understand the monthly C2C reports produced by Verizon and 2) replicate Verizon results.

Metrics Business Rules (MBR):

Verizon is making available to CLECs a more in-depth level of business rules that support the existing C2C guidelines. This document is called "MBR" (Metrics Business Rules). The MBR document further details the C2C guidelines. Items such as metric guideline definitions, report dimensions data inputs and outputs and metric formulas are included. The MBR document is intended only as a resource document in understanding the C2C guidelines and their metrics calculations. The C2C is the official Commission approved guideline.

Metrics Change Control (MCC) Notification Process:

The “Metrics Change Control Process” is the process used by Verizon to manage, track and build an audit trail for all changes to Wholesale Metrics. Change Controls are issued to implement new or revised metrics based on Commission order, clarifications of existing guidelines, and for changes to systems or processes that are metric affecting. Verizon communicates changes in Wholesale Metrics calculations and processes to (CLECs) and state regulatory commissions via the MCC process. Verizon will communicate changes to metrics processes as well as clarifications of business rules and guidelines that reinforce existing metrics calculations except when the change relates to one CLEC and that CLEC has signed an agreement that the information will not be divulged to other CLECs. These changes will only be communicated to the affected CLEC. The MCC process will ensure that CLECs retain the ability to validate Verizon’s Wholesale Metrics, and analyze their own data. In addition The MCC process provides assurance that the Wholesale Metrics results, reported by Verizon, adhere to Carrier to Carrier Guidelines. Metrics Change Control Record (MCCR) notifications will be provided electronically to CLECs who receive CLEC-specific Carrier-to Carrier Reports.